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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re)	No.	01-30923 DM
PACIFIC GAS AND ELECTRIC)	Chapter	11
COMPANY,)	[Not set for hearing]	
Debtor.)		

UNITED STATES TRUSTEE'S
OBJECTION TO APPLICATION OF DEBTOR FOR AN ORDER EMPLOYING
KEKER & VAN NEST, L.L.P.

The United States Trustee respectfully submits this objection to debtor's application for an order employing Keker & Van Nest L.L.P. ("KVN") (the "Application"). Pacific Gas and Electric Company (the "Debtor") has not explained the nature of the work KVN will do in this case and absent an explanation, it is impossible to conclude the proposed employment is "necessary" as required by Federal Rule of Bankruptcy Procedure 2014(a), and not duplicative of work being done by other firms employed in this case.

ARGUMENT

The United States Trustee is responsible for, *inter alia*, supervising "the administration of cases . . . under chapter . . . 11" of the Code and is given discretion to file

1 comments with the court with respect to applications for employment of professional
2 persons. 28 U.S.C. § 586(a)(3). Professionals seeking employment by a bankruptcy
3 estate pursuant to 11 U.S.C. § 327(a) must demonstrate in advance the proposed
4 employment is necessary. Rule 2014 specifically requires the employment application set
5 forth why the proposed employment is necessary. Fed. R. Bankr. P. 2014(a).

6 Debtor has not demonstrated the proposed employment is necessary. The
7 Application only states KVN is being employed to “consider and analyze potential litigation
8 between PG&E and other parties involved in the California electric-power market.” This
9 description is inadequate. It could describe the work of Debtor’s general counsel, Howard
10 Rice, its proposed special counsel, Heller Ehrman, or any number of professional firms
11 Debtor has sought or will seek to employ. The United States Trustee submits KVN must
12 describe in greater detail the work it will do so parties in interest can determine whether it is
13 necessary, in the interest of the estate, and not duplicative of the work being done by any of
14 the other firms being employed in the case.

15 For the foregoing reasons, the United States Trustee objects to an order of
16 employment for KVN.

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18 Date: May 1, 2001

Respectfully submitted,

19 Patricia A. Cutler
20 Assistant United States Trustee

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22 By:

23 Stephen L. Johnson
24 Attorneys for United States Trustee
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